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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

0002 M0370040
TASK 2804

December 29, 2008

Uranium One Exploration USA, Inc.
8055 East Tufts Ave, Suite 230
Denver, Colorado 80237

Subject: Transfer of Notice of Intention, Large Mining Operations, Uranium One Exploration USA, Inc., Velvet Mine, M037040, San Juan County, Utah

Dear Mr. Stover:

On December 15, 2008, we received the completed Transfer of Notice of Intention of Large Mining Operations to transfer the Velvet large mining project located in Section 3, San Juan County, Utah from US Energy Corp. to Uranium One. Subsequently, we received the Reclamation Contract and reclamation surety to accompany the transfer form.

The Division Director signed and executed the transfer document on December 16, 2008, which *effectively transfers the responsibility of this mining operation and reclamation to you*. A copy of the executed transfer form, Reclamation Contract and surety forms are enclosed for your files. You are now the official party responsible for all mining and reclamation obligations for this project. Please be aware that you must satisfy the BLM requirements in making this change in ownership as well. We will forward a copy of the executed documents, along with this letter, to them for their records.

By copy of this letter, the Division hereby officially releases US Energy Corp from any further reclamation responsibilities at this site. Thank you for your help in finalizing this transaction. If you have any questions or concerns regarding this letter, please contact me at (801) 538-5261. Best of luck with your new mining venture.

Sincerely,

Paul Baker
Minerals Mining Manager
Minerals Regulatory Program

PB:TM:pb

Enclosure: Executed Transfer form, Reclamation Contact & Surety bond

cc: Fred Craft, U S Energy Corp, 877 N 800 W, Riverton WY 82501
ted_mcdougall@blm.gov
opie_abeyta@blm.gov

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DOCUMENT TRACKING SHEET

USE THIS SHEET WHEN ITEM (S) SHOULD BE SCANNED TO SEVERAL PLACES, SUCH AS A BOND RELEASE FOR AN OUTGOING LETTER. THE LETTER WILL GO IN OUTGOING WITH THIS SHEET BEHIND IT REFERENCEING THE BOND RELEASE FINDINGS IS IN INTERNAL AND THE RECORD # IS ____.

PERMIT APPROVAL LETTERS WITH ATTACHMENTS USE THE DOCUMENT TRACKING SHEET FOR NOI

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08 (year) NOI 712182008apv (folder) AS RECORD # 0001

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08 (year) Incoming (folder) AS RECORD # 0008

THE Application for Transfer (what is it) ATTACHEMENT CAN BE FOUND IN
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THE LOC documents (what is it) ATTACHEMENT CAN BE FOUND IN
08 (year) Incoming (folder) AS RECORD # 0010

THE _____ (what is it) ATTACHEMENT CAN BE FOUND IN
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